

A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



REF. No.:- A2ZINFRA/SE/2023-24/043

BY E-FILING

November 06, 2023

To,
BSE Limited
Phiroze Jeejeebhoy Towers
Rotunda Building, Dalal Street,
Mumbai-400 001

To,
National Stock Exchange of India Limited
Listing Department
Exchange Plaza, 5th Floor
Plot No. C/1 G Block, Bandra Kurla Complex,
Bandra (E), Mumbai-400051

Fax-022-22722039
BSE Code- 533292

Fax- 022-26598237/38
NSE Code- A2ZINFRA

Subject: Outcome of Board Meeting held on Monday, November 06, 2023

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, We, **A2Z INFRA ENGINEERING LTD.** (hereinafter referred as "Company") wish to inform you that on the recommendations of the members of the Audit Committee, the members of the Board of Directors of A2Z Infra Engineering Ltd. at its meeting duly held on November 06, 2023, have reviewed and approved the Unaudited Standalone & Consolidated Financial Results for the Quarter (Q2) and half year ended on September 30, 2023 along with the Limited review report issued by the Statutory Auditors.

A copy of the Statement of Unaudited Standalone and Consolidated Financial Results along with the Limited Review Report for the Quarter ended September 30, 2023, approved by the Board pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, is attached herewith.

The said results have also been sent for publication in the prescribed format as per the requirements.

The said outcome and results have been uploaded on the website of the Stock Exchanges and on the website of the Company at www.a2zgroup.co.in.

The Board meeting commenced at 4:30 p.m. and concluded at 05:45 p.m.

This is for your information & records purpose.

Thanking you,
Yours truly,

FOR A2Z INFRA ENGINEERING LTD.



(Atul Kumar Agarwal)
Company Secretary
FCS-6453

Add: - Ground Floor, Plot No. 58, Sector-44,
Gurugram - 122003, Haryana



Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of standalone unaudited financial results ('the Statement') of A2Z Infra Engineering Limited ('the Company') for the quarter and half year ended 30th Sept 2023, being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. The Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under Section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement.

Basis for Disclaimer of Conclusion

1. As stated in note 9 to the accompanying Statement, the Company has incurred a net loss after tax of Rs. 829.03 lakhs during the period ended 30th Sept 2023, and as of that date, the Company's accumulated losses amount to Rs. 1,07,479.84 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,138.62 lakhs and is presently facing acute liquidity problems on account of delayed realization of trade receivables. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 8 and 9. The Company has also delayed in repayment of borrowings and payment of statutory dues and dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 7 and 8. As confirmed by the management, the Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events & conditions and the possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 9, cast significant doubt on the Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the



management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Company to continue as a going concern. Further, as stated in note 10 to the accompanying Statement, management indicates that a material uncertainty exists that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023, and our review report for the quarter ended 30th Sept 2022 dated 12th Nov 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

2. As stated in note 7 and 8 to the accompanying Statement, the Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'). The Company had entered into settlement agreements ('Settlement Agreements') with some of these Lenders for the aforesaid loans. As described in the said note, the Company has delayed the payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments under the Settlement Agreements, the Company has not recognised interest for the quarter ended 30th Sept 2023 aggregating to Rs. 923.34 lakhs (accumulated interest as at 30th Sept 2023 being Rs. 6,052.49 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders.

Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement. Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023, and our review report for the quarter ended 30th Sept 2022 dated 12th Nov 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

3. As stated in note 3 to the accompanying Statement, the Company's non-current investment (net of impairment) amounting to Rs. 7,992.84 lakhs in its associate company namely Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 30th Sept 2023. During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer, arbitration awarded in favour of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment



upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023, and our review report for the quarter ended 30th Sept 2022 dated 12th Nov 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

Disclaimer of Conclusion

1. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

We draw attention to:

1. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Company located at Punjab, for which the Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, during the previous year, the management has recorded impairment of Rs. 35,665.04 lakhs in the present value of the power plant.
2. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
3. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation/ recovery of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Company will be able to avail the input tax credit for aforementioned matter.

Other Matters

1. We did not review the interim financial statement of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 0.87 lakhs, total net loss after tax of Rs. 2.09 lakhs and total comprehensive loss of Rs. 2.09 lakhs for the period ended on 30th Sept 2023 as considered in the Statement. Such interim financial information of the aforesaid branches have been prepared by the



management and this report, in so far as it relates to the balances and affairs of these branches, is based solely on such unreviewed financial information, as certified and provided by the management. According to the information and explanations given to us by the management, interim financial information of all three branches is not material to the Company.

Further, all such branches are located outside India whose interim financial statement have been prepared in accordance with accounting principles generally accepted in their respective countries under the generally accepted review standards specified in Annexure 1 to the Statement, as applicable in their respective countries. The Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)



Saurabh Kuchhal
Partner
Membership No. 512362

Date: 06.11.2023
Place: Gurgaon
UDIN:- 23512362BGWECA8159

Annexure 1:

S.No.	Name	Country of Operations	Name of auditing Standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Standalone Financial Results for the quarter and six months ended September 30, 2023

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Six months period ended		Year ended
		September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	1,965.86	1,865.15	2,066.01	3,831.01	3,989.36	6,958.65
	Other income	752.90	167.82	233.95	920.72	2,930.39	3,068.54
	Total income	2,718.76	2,032.97	2,299.96	4,751.73	6,919.75	10,027.19
2	Expenses						
	Cost of material consumed	1,545.52	1,511.66	1,351.54	3,057.18	2,675.03	5,157.90
	Employee benefit expenses	104.24	143.55	81.94	247.79	165.78	311.85
	Finance costs	119.45	116.95	173.70	236.40	457.01	700.77
	Depreciation and amortization expenses	29.65	29.74	121.67	59.39	242.82	482.90
	Other expenses	630.52	217.17	1,050.73	847.69	4,039.69	4,573.72
	Total expenses	2,429.38	2,019.07	2,779.58	4,448.45	7,580.33	11,227.14
3	Profit/(loss) before exceptional items and tax	289.38	13.90	(479.62)	303.28	(660.58)	(1,199.95)
4	Exceptional items – (loss)/gain (Refer note 6)	(1,123.61)	-	-	(1,123.61)	-	(5,312.58)
5	(Loss)/profit before tax	(834.23)	13.90	(479.62)	(820.33)	(660.58)	(6,512.53)
	Current tax	8.70	-	-	8.70	-	0.54
	Deferred tax charge/(credit)	-	-	-	-	-	2,641.07
6	(Loss)/profit for the period/year	(842.93)	13.90	(479.62)	(829.03)	(660.58)	(9,154.14)
7	Other comprehensive income						
	Items that will not be reclassified to profit and loss	-	-	-	-	-	(7.21)
8	Total Other Comprehensive income for the period/year	-	-	-	-	-	(7.21)
9	Total Comprehensive income for the period/year	(842.93)	13.90	(479.62)	(829.03)	(660.58)	(9,161.35)
10	Paid-up equity share capital (Face value of the share - Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
11	Other equity						(15,955.37)
12	(Loss)/earnings per equity share:						
	(a) Basic (in INR)	(0.48)	0.01	(0.28)	(0.47)	(0.38)	(5.20)
	(b) Diluted (in INR)	(0.48)	0.01	(0.28)	(0.47)	(0.38)	(5.20)



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



Notes:

- 1) The above standalone financial results for the quarter and six months ended on September 30, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on November 06, 2023 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 7, 8, 9 and 10 in standalone financial results for the quarter and six months ended September 30, 2023.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended September 30, 2023, June 30, 2023 and September 30, 2022 and six months ended September 30, 2023 and September 30, 2022.

The standalone financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

- 2) The auditors in their audit report have drawn attention to the following matters:

- a. In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon. The Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis. Hence, the management has recorded an impairment of Rs. 35,665.04 lakhs in the present value of the power plant as at September 30, 2023.

Out of the aforementioned impairment as at September 30, 2023 Rs. 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and Rs. 8,876.56 lakhs are for power plant which has already been capitalised.

- b. The Income tax authorities conducted a search and survey at certain premises of the Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Company. The Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Company.

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Registered Office: O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

Corporate Office: Ground Floor, Plot No. 58, Sector - 44, Gurugram - 122003, Haryana (INDIA)

Tel.: +91-124-472-3383, Website : www.a2zgroup.co.in, Email : info@a2zemail.com

A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



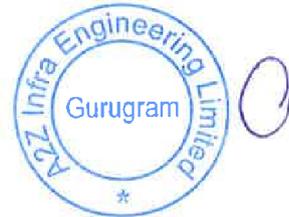
Further, during the year ended March 31, 2018, the Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Company.

During the year ended March 31, 2019, the Company has received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. During the previous year, the company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment, the management believes that the Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the standalone financial results.

- c. During the financial year ended March 31, 2017, the Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ("the Authority") regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- 3) The Company, as at September 30, 2023, has non-current investments (net of impairment) amounting to Rs. 7,992.84 lakhs and current financial assets-loan amounting to Rs. 84.67 lakhs in its associate company Greneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greneffect Waste Management Limited together with its subsidiaries is referred to as Greneffect Waste Management Group). During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greneffect Waste Management Limited. While Greneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at September 30, 2023 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.

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A2Z INFRA ENGINEERING LIMITED

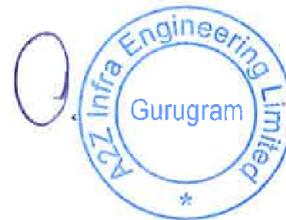
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4) Standalone Statement of Assets and Liabilities

(Amount in Rs. Lakhs)

Particulars	As at September 30, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment	1,024.68	1,074.74
Right to use of assets	26.06	33.57
Capital work-in-progress	837.99	678.47
Financial assets		
Investments	14,250.32	14,330.04
Other financial assets	662.80	720.67
Deferred tax assets (net)	12.90	12.90
Non-current tax assets (net)	2,463.93	2,469.42
Other non-current assets	1.48	0.90
Total	19,280.16	19,320.71
Current assets		
Financial assets		
Trade receivables	21,054.73	25,105.25
Cash and cash equivalents	360.78	514.01
Loans	1,381.81	1,384.78
Other financial assets	9,709.02	22,741.90
Other current assets	8,228.24	6,471.74
Total	40,734.58	56,217.68
Total Assets	60,014.74	75,538.39
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	(16,741.85)	(15,955.37)
Total equity	870.14	1,656.62



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



Standalone Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	As at
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	300.00	300.00
Lease liability	13.15	19.63
Provisions	2,958.25	3,003.20
Total	3,271.40	3,322.83
Current liabilities		
Financial liabilities		
Borrowings	24,089.94	25,898.37
Lease liability	13.90	14.48
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	8.40	11.32
- Total outstanding dues of creditors other than micro enterprises and small enterprises	17,216.79	27,595.85
Other financial liabilities	6,352.90	6,322.62
Other current liabilities	8,190.01	10,684.06
Provisions	1.26	32.24
Total	55,873.20	70,558.94
Total Liabilities	59,144.60	73,881.77
Total Equity and Liabilities	60,014.74	75,538.39

5) Standalone Cash flow statement

(Amount in Rs. Lakhs)

Particulars	As at	As at
	September 30, 2023	September 30, 2022
	(Unaudited)	(Audited)
A Cash flows from operating activities:		
Loss before tax (after exceptional items)	(820.33)	(660.58)
Adjustments:		
Exceptional items	1,123.61	-
Depreciation and amortisation expense	59.39	242.82
(Gain)/Loss on disposal of property, plant and equipment (net)	(0.10)	(0.34)
Interest expense	211.11	418.04
Interest income	(0.18)	(7.53)
Provision for contract revenue in excess of billing	332.28	1,344.22



A2Z INFRA ENGINEERING LIMITED

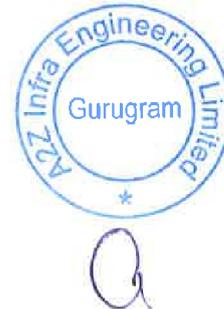
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Standalone Cash flow statement (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	As at
	September 30, 2023	September 30, 2022
	(Unaudited)	(Audited)
Provision for bad and doubtful debts / advances	-	878.50
Liability/provision written back	(893.11)	(2,901.23)
Provision for warranty	207.02	341.82
Provision for employee benefits	11.62	27.69
Account written off	1.22	-
Recognition of share based payments at fair value	122.26	22.39
Unwinding of interest on security deposits	-	(1.40)
Operating profit before working capital changes	354.79	(295.60)
Net changes in working capital		
Changes in trade receivables	4,194.25	6,874.88
Changes in loans	70.02	109.95
Changes in other financial assets	2,270.02	(739.81)
Changes in other assets	(1,756.50)	(804.88)
Changes in trade payables	(1,113.05)	(1,258.19)
Changes in provisions	(307.46)	(280.37)
Changes in financial liabilities	-	(3.93)
Changes in other liabilities	(1,435.14)	(1,929.48)
Net changes in working capital	1,922.14	1,968.17
Cash flow from operations	2,276.93	1,672.57
Current taxes (paid)/refund	(3.21)	(92.40)
Net cash flow from operating activities (A)	2,273.72	1,580.17
B Cash flows from investing activities:		
Payment for property, plant and equipment	(164.07)	(353.96)
Proceeds from sale of property, plant and equipment	0.10	0.34
Fixed deposits matured - (net)	-	307.50
Interest received	0.18	7.53
Net cash (used in)/ flow from investing activities (B)	(163.79)	(38.59)
C Cash flows from financing activities:		
Repayments of long-term borrowings	(1,408.00)	-
Repayments of short term borrowings (net)	(700.43)	(985.46)
Payment of lease liabilities	(7.06)	(29.66)
Interest payment of lease liabilities	(1.58)	(44.44)
Interest paid	(146.09)	(166.44)
Net cash used in financing activities (C)	(2,263.16)	(1,226.00)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(153.23)	315.58
Cash and cash equivalents at the beginning of the year	514.01	208.31
Cash and cash equivalents at the end of the period	360.78	523.89



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



6) Following exceptional items (net) have been recorded:

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Six months period ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	-	-	-	-	-	2,775.44
Loan settled on behalf of subsidiary and associate on account of corporate guarantee	6,347.55	-	-	6,347.55	-	-
Liabilities written back	9,666.35	-	-	9,666.35	-	9,598.99
Exceptional gain (A)	16,013.90	-	-	16,013.90	-	12,374.43
Unbilled provision/write off	7,670.00	-	-	7,670.00	-	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	-	-	-	6,128.77
Provision on loans and advances from associates and subsidiary	9,467.51	-	-	9,467.51	-	-
Investment provision/written off	-	-	-	-	-	9,058.00
Exceptional loss (B)	17,137.51	-	-	17,137.51	-	17,687.01
Net Exceptional (loss)(A-B)	(1,123.61)	-	-	(1,123.61)	-	(5,312.58)

7) The loan accounts of the Company have been classified as Non- Performing Assets by certain banks and they have not charged interest on the said accounts and also the Company has not charged interest on borrowings from certain banks/ Asset Reconstruction Company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 923.34 lakhs, Rs. 1,776.05 lakhs and Rs. 6,052.49 lakhs for the quarter ended September 30, 2023, six months ended September 30, 2023 and as at September 30, 2023 respectively (Rs. 852.70 lakhs, Rs. 941.09 lakhs, Rs. 1,794.39 lakhs and Rs. 3,374.33 lakhs for the quarter ended June 30, 2023, September 30, 2022, six months ended September 30, 2022 and year ended March 31, 2023 respectively). The Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

8) The Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by upfront payments and deferred instalments. As at September 30, 2023, the Company has delayed payments in respect of the certain deferred instalments amounting Rs. 4,994.00 lakhs which were due and payable pursuant to these Agreements. So far the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that no additional liability shall devolve on the Company in addition to the carrying value of such liability as at September 30, 2023. The Company is in the process of negotiations/reconciliations of its outstanding obligations carried in these standalone financial results.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Company in respect of aforementioned delays.



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805

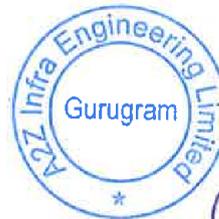


- 9) The Company has incurred a net loss after tax of Rs. 829.03 lakhs for the period ended September 30, 2023 and has accumulated losses amounting Rs. 1,07,479.84 lakhs as at September 30, 2023. At present, company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, two of the banks have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues and for one bank the matter is held in abeyance as the company has entered into an one time settlement with the said bank on deferred payment basis. Further, three parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Company is pursuing the same before the NCLT hence at present said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Company has also delayed in repayments due to certain lenders as further detailed in note 7 and 8. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Company's ability to continue as a going concern due to which the Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 8), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the standalone financial result and accordingly, these have been prepared on a going concern basis.
- 10) The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondoa and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
- 11) Subsequent to period ended September 30, 2023, the company has entered into one time settlement (OTS) with Kotak Mahindra Bank for a settlement amount of Rs: 1,500 lakhs. The settlement consideration will be paid as per the binding terms.
- 12) In line with the provisions of Ind AS 108 — Operating Segments and on the basis of review of operations being done by the management of the company, the operations of the company falls under Engineering services, which is considered to be the only reportable segment by the management.
- 13) Previous period/ year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period/ year's classification.

For and behalf of A2Z Infra Engineering Ltd.

Place: Gurugram

Date: November 6, 2023



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Amit Mittal

Managing Director & CEO

DIN: 00058944

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Registered Office: O-116, First Floor, Shopping Mall, Arjun Marg, DLF City, Phase-1, Gurugram-122 002, Haryana (INDIA)

Corporate Office: Ground Floor, Plot No. 58, Sector - 44, Gurugram - 122003, Haryana (INDIA)

Tel.: +91-124-472-3383, Website : www.a2zgroup.co.in, Email : info@a2zemail.com



Independent Auditor's Review Report on Consolidated Unaudited Quarterly Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of A2Z Infra Engineering Limited

1. We were engaged to review the accompanying statement of consolidated unaudited financial results ('the Statement') of A2Z Infra Engineering Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group') and its associates (refer Annexure 1 for the list of subsidiaries and associates included in the Statement) for the quarter and half year ended 30th Sept 2023, being submitted by the Holding Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time.
2. This Statement, which is the responsibility of the Holding Company's management and approved by the Holding Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, Interim Financial Reporting ('Ind AS 34'), prescribed under section 133 of the Companies Act, 2013 ('the Act'), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including relevant circulars issued by the SEBI from time to time. Our responsibility is to express a conclusion on the Statement based on our review.
3. We have taken into account the requirements of Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. Because of the matters described in the Basis for Disclaimer of Conclusion paragraph, we were not able to obtain sufficient appropriate evidence to provide a basis for our conclusion on the Statement. We also performed procedures in accordance with the SEBI Circular CIR/CFD/CMD1/44/2019 dated 29 March 2019 issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), to the extent applicable.



Basis for Disclaimer of Conclusion

1. As stated in note 10 to the accompanying Statement, the Holding Company has incurred a net loss after tax of Rs. 829.03 lakhs for the period ended 30th Sept 2023, and as of that date, the Holding Company's accumulated losses amount to Rs. 1,07,479.84 lakhs, which have resulted in partial erosion of its net worth, and the current liabilities exceed current assets by Rs. 15,138.62 lakhs. Also, certain lenders have filed applications with the National Company Law Tribunal (NCLT), Debt Recovery Tribunal (DRT) and other courts for recovery of their dues as detailed in note 9 and 10. The Holding Company has also delayed in repayment of borrowings and payment of statutory dues and dues payable to other lenders including delays with respect to dues payable under one-time settlement agreements, as further detailed in note 8 and 9. As confirmed by the management, the Holding Company has been in discussions with the lenders regarding restructuring of these borrowings, the resolution for which is yet to be finalised. Further, the expected realisation of the amounts outstanding from certain customers, within the next 12 months, with whom the Holding Company is in discussions is uncertain in the absence of any confirmations from such customers. Such events & conditions and the possible impact of the associated uncertainties on management's assumptions, and other matters as set forth in the note 10, cast significant doubt on the Holding Company's ability to continue as a going concern. In the absence of sufficient appropriate audit evidence to support the management's assessment with respect to restructuring of borrowings and availability of funds, we are unable to comment on the ability of the Holding Company to continue as a going concern. Further, as stated in note 11 to the accompanying Statement, management indicates that a material uncertainty exists that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.

Our Audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023 and our review report for the quarter ended 30th Sept 2022 dated 12th Nov 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

2. As stated in note 8 and 9 to the accompanying Statement, the Holding Company has borrowings from certain banks which have been classified as non-performing assets ('NPA borrowings') and those from certain other banks/ asset reconstruction company (together referred to as 'the Lenders'), The Holding Company had entered into settlement agreements ('Settlement Agreements') with some of these Lenders for the aforesaid loans. As described in the said note, the Holding Company has delayed the payments in respect of the instalments due to these Lenders pursuant to the relevant loan agreements and Settlement Agreements. In respect of the aforementioned NPA borrowings and delayed payments



under the Settlement Agreements, the Holding Company has not recognised interest for the quarter ended 30th Sept 2023 aggregating to Rs. 923.34 lakhs (accumulated interest as at 30th Sept 2023 being Rs. 6,052.49 lakhs), payable under the terms of the said agreements, as estimated by the management on the basis of expected re-negotiation with the Lenders. Pending confirmations/ reconciliations from the Lenders and in the absence of sufficient appropriate evidence to substantiate management's assessment, we are unable to comment on the adjustments, if any, that may be required to the carrying values of the aforesaid borrowings and dues (including interest) payable to the Lenders in accordance with the terms of loan agreements and Settlement Agreement, and the consequential impact of such adjustments on the accompanying Statement.

Our Audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023 and our review report for the quarter ended 30th Sept 2022 dated 12th August 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.

3. As stated in note 3 to the accompanying Statement, the Holding Company's non-current investment (net of impairment) amounting to Rs. 7,992.84 lakhs in its associate company namely Greneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ("GWML") and its current financial assets-loan amounting to Rs. 84.67 lakhs which include amounts dues from such associate company as on 30th Sept 2023. During the previous year, Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greneffect Waste Management Limited. The consolidated net worth of the aforesaid associate company as on that date has been fully eroded on account of losses incurred. Further, the associate company is facing liquidity constraints due to which it may not be able to meet the projections as per the approved business plans. Based upon the valuation report of an independent valuer, arbitration awarded in favour of GWML and other factors described in the aforementioned note, management has considered such balances as fully recoverable. However, in the absence of sufficient and appropriate audit evidence to support the management's assessment as above, we are unable to comment upon adjustments, if any, that may be required to the carrying value of these balances, and the consequential impact on the accompanying Statement.

Our audit report on the standalone financial results for the quarter and year ended 31st March 2023 dated 19th May 2023, our review report for the quarter ended 30th June 2023 dated 11th Aug 2023 and our review report for the quarter ended 30th Sept 2022 dated 12th August 2022 also included a disclaimer of opinion and disclaimer of conclusion, respectively, in respect of this matter.



Disclaimer of Conclusion

1. Because of the significance of the matters described in the Basis for Disclaimer of Conclusion paragraph, we have not been able to obtain sufficient appropriate evidence to provide a basis for our conclusion as to whether anything has come to our attention that causes us to believe that the accompanying Statement prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 prescribed under Section 133 of the Act, and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended), including the manner in which it is to be disclosed, or that it contains any material misstatement. Accordingly, we do not express our conclusion on the Statement.

Emphasis of Matters

We draw attention to:

1. Note 2(a) to the accompanying Statement, which describes the uncertainties relating to the outcome of the various pending litigations in respect of three cogeneration power plants of the Holding Company located at Punjab, for which the Holding Company has filled petitions and appeals at various forums. The final outcome of these matters is presently unascertainable. Further, during the previous year, the management has recorded impairment of Rs. 35,665.04 lakhs in the present value of the power plant.
2. Note 2(b) to the accompanying Statement, which describes the uncertainty relating to the outcome of litigation pertaining to income-tax matters pursuant to orders received by the Holding Company against which management and the assessing authorities have filed appeals with relevant Income-tax Authorities. The final outcome of these matters is presently unascertainable.
3. Note 2(c) to the accompanying Statement, which describes the uncertainty relating to utilisation/ recovery of input tax credit and levy of interest on service tax. Based on the terms of the contract with the customers/vendors and independent legal opinion, management believes that these amounts are recoverable from the customer including interest thereon and that the Holding Company will be able to avail the input tax credit for aforementioned matter.

Other Matters

1. We did not review the interim financial statements of Twelve subsidiaries (as specified in Annexure 1) included in the Statement, whose financial statements reflects total revenues of Rs. 15,775.07 lakhs, total net loss after tax of Rs. 104.47 lakhs, total comprehensive loss of Rs. 104.47 lakhs for the period ended as on 30th Sept 2023 as considered in the Statement.



The Statement also includes the Group's share of net loss after tax of Rs. 2,214.63 lakhs for the period ended as on 30th Sept 2023, as considered in the Statement, in respect of 18 associates (as specified in Annexure 1), whose interim financial statements have not been reviewed by us. These interim financial statements have been reviewed by other auditors whose review reports have been furnished to us by the management. This report, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates is based solely on the review reports of such other auditors and the procedures performed by us.

2. We did not review the interim financial statement of three branches included in the Statement, where such interim financial information reflects total revenues of Rs. 0.87 lakhs, total net loss after tax of Rs. 2.09 lakhs and total comprehensive loss of Rs. 2.09 lakhs for the period ended on 30th Sept 2023 as considered in the Statement. Such interim financial information of the aforesaid branches have been prepared by the management and this report, in so far as it relates to the balances and affairs of these branches, is based solely on such unreviewed financial information, as certified and provided by the management. According to the information and explanations given to us by the management, interim financial information of all three branches is not material to the Company.

Further, all such branches are located outside India whose interim financial statement have been prepared in accordance with accounting principles generally accepted in their respective countries under the generally accepted review standards specified in Annexure 2 to the Statement, as applicable in their respective countries. The Company's management has converted the financial information of such branches from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Company's management.

For MRKS AND ASSOCIATES
Chartered Accountants
(ICAI Registration No. 023711N)

Saurabh Kuchhal
Partner
Membership No. 512362



Date: 06.11.2023
Place: Gurgaon
UDIN:- 23512362BGWECEB8593

Annexure 1

List of entities included in the Statement

S. No.	Name	Relation
1.	A2Z InfraserVICES Limited	Subsidiary
2.	A2Z Powercom Limited	Subsidiary
3.	Rishikesh Waste Management Limited (formerly known as A2Z Powertech Limited)	Subsidiary
4.	Mansi Bijlee & Rice Mills Limited	Subsidiary
5.	Magic Genie Services Limited	Subsidiary
6.	A2Z Maintenance & Engineering Services Limited and Satya Builders (Association of person)	Subsidiary
7.	Ecogreen Envirotech Solutions Limited	Subsidiary
8.	Blackrock Waste Processing Private Limited	Subsidiary with effect from 3 rd Nov 2021
9.	A2Z Waste Management (Aligarh) Limited	Subsidiary
10.	A2Z Waste Management (Ludhiana) Limited	Subsidiary
11.	Magic Genie Smartech Solutions Limited	Subsidiary
12.	Vswach Environment (Aligarh) Private Limited	Subsidiary with effect from 9 th Dec 2022
13.	Vsapients Techno Services Private Limited	Subsidiary with effect from 21 st Feb 2023
14.	Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited)	Associate
15.	A2Z Waste Management (Nainital) Private Limited	Associate
16.	A2Z Waste Management (Moradabad) Limited	Associate
17.	A2Z Waste Management (Meerut) Limited	Associate
18.	A2Z Waste Management (Varanasi) Limited	Associate
19.	A2Z Waste Management (Jaunpur) Limited	Associate
20.	A2Z Waste Management (Badaun) Limited	Associate
21.	A2Z Waste Management (Sambhal) Limited	Associate
22.	A2Z Waste Management (Mirzapur) Limited	Associate
23.	A2Z Waste Management (Balai) Limited	Associate
24.	A2Z Waste Management (Fatehpur) Limited	Associate
25.	A2Z Waste Management (Ranchi) Limited	Associate
26.	A2Z Waste Management (Dhanbad) Private Limited	Associate
27.	Shree Balaji Pottery Private Limited	Associate
28.	Shree Hari Om Utensils Private Limited	Associate
29.	A2Z Waste Management (Jaipur) Limited	Associate
30.	A2Z Waste Management (Ahmedabad) Limited	Associate
31.	Earth Environment Management Services Private Limited	Associate



Annexure 2

S.No.	Name	Country of Operations	Name of auditing Standard
1	A2Z Infra Engineering Limited (Tanzania Branch)	Tanzania	International Standards on Review Engagements (ISRE) 2410
2	A2Z Infra Engineering Limited (Nepal Branch)	Nepal	International Standards on Review Engagements (ISRE) 2410
3	A2Z Infra Engineering Limited (Uganda Branch)	Uganda	International Standards on Review Engagements (ISRE) 2410



A2Z INFRA ENGINEERING LIMITED

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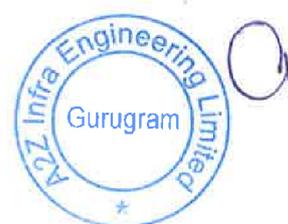


A2Z INFRA ENGINEERING LIMITED

Statement of Unaudited Consolidated Financial Results for the quarter and six months ended September 30, 2023

(Amount in Rs. Lakhs)

S.No.	Particulars	Quarter ended			Six Months Period ended		Year ended
		September 30 , 2023	June 30, 2023	September 30 , 2022	September 30 , 2023	September 30 , 2022	March 31, 2023
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1	Income						
	Revenue from operations	10,196.09	9,409.99	9,653.58	19,606.08	17,518.37	34,944.16
	Other income	711.30	189.04	121.08	900.34	2,945.45	3,261.41
	Total income	10,907.39	9,599.03	9,774.66	20,506.42	20,463.82	38,205.57
2	Expenses						
	Cost of material consumed	3,810.87	3,988.52	3,604.80	7,799.39	7,346.46	13,386.48
	Changes in inventories of Finished goods, Stock -in- trade and Work- in- progress	106.51	333.25	(30.68)	439.76	(89.91)	(5.88)
	Employee benefit expenses	4,420.03	4,258.71	4,311.63	8,678.74	7,260.71	15,522.37
	Finance costs	233.14	184.58	287.42	417.72	751.95	1,329.49
	Depreciation and amortization expenses	134.57	128.86	228.18	263.43	451.31	883.24
	Other expenses	2,045.94	517.46	1,530.69	2,563.40	4,789.53	5,899.81
	Total expenses	10,751.06	9,411.38	9,932.04	20,162.44	20,510.05	37,015.51
3	Profit/(loss) before exceptional items, share of net profit/(loss) of investments accounted for using equity method and tax	156.33	187.65	(157.38)	343.98	(46.23)	1,190.06
	Share of net (loss)/profit of investments accounted for using equity method	(1,940.51)	(274.12)	(264.26)	(2,214.63)	(651.02)	396.16
4	(Loss)/profit before exceptional items and tax	(1,784.18)	(86.47)	(421.64)	(1,870.65)	(697.25)	1,586.22
	Exceptional items – gain/(loss) (Refer note 7)	1,554.03	-	-	1,554.03	-	(12,204.13)
5	Loss before tax	(230.15)	(86.47)	(421.64)	(316.62)	(697.25)	(10,617.91)
	Current tax	216.77	41.96	76.00	258.73	76.00	61.40
	Deferred tax charge/(credit)	(98.69)	28.91	28.67	(69.78)	28.67	1,926.17
6	Loss for the period/year	(348.23)	(157.34)	(526.31)	(505.57)	(801.92)	(12,605.48)
	Other comprehensive income						
	Items that will not be reclassified to profit and loss	-	-	-	-	-	96.16
7	Total Other Comprehensive income for the period/year (net of tax)	-	-	-	-	-	96.16
8	Total Comprehensive income for the period/year	(348.23)	(157.34)	(526.31)	(505.57)	(801.92)	(12,509.32)
9	(Loss) / profit for the period/year attributable to:						
	Equity holders of the Company	(214.61)	(87.48)	(541.67)	(302.09)	(820.86)	(12,292.03)
	Non-controlling interests	(133.62)	(69.86)	15.36	(203.48)	18.94	(313.45)
10	Other comprehensive income is attributable to:						
	Equity holders of the Company	-	-	-	-	-	75.59
	Non-controlling interests	-	-	-	-	-	20.57
11	Total comprehensive income is attributable to:						
	Equity holders of the Company	(214.61)	(87.48)	(541.67)	(302.09)	(820.86)	(12,216.44)
	Non-controlling interests	(133.62)	(69.86)	15.36	(203.48)	18.94	(292.88)
12	Paid-up equity share capital (Face value of the share - Rs 10/- each)	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99	17,611.99
13	Other equity						(13,806.98)
14	Loss per equity share:						
	(a) Basic (in INR)	(0.12)	(0.05)	(0.31)	(0.17)	(0.47)	(6.98)
	(b) Diluted (in INR)	(0.12)	(0.05)	(0.31)	(0.17)	(0.47)	(6.98)



A2Z INFRA ENGINEERING LIMITED

CIN No.: L74999HR2002PLC034805



Notes:

- 1) The above consolidated financial results for the quarter and six months ended on September 30, 2023 have been reviewed by the Audit Committee and subsequently approved by the Board of Directors at their Board Meeting duly held on November 06, 2023 in terms of Provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The statutory auditor have issued a disclaimer of conclusion in respect of the matters described in note 3, 8, 9, 10 and 11 in consolidated financial results for the quarter and six months ended September 30, 2023.

Basic and Diluted Earnings Per Share is not annualized for the quarters ended September 30, 2023, June 30, 2023 and September 30, 2022 and six months ended September 30, 2023 and September 30, 2022.

The consolidated financial results have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 - Interim Financial Reporting, notified under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules 2015, as amended from time to time, and other accounting principles generally accepted in India.

- 2) The auditors in their audit report have drawn attention to the following matters:

- a. In respect of the on-going arbitration proceedings with the sugar mills for certain disputes in respect of cogeneration power plants, the Holding Company had filed petition under section 11 of the Arbitration and Conciliation Act, 1996 in the High Court of Punjab and Haryana for appointment of an independent Arbitrator, which is still pending in the High Court, though the High Court was of the prima-facie view that "there appears to be force in the submissions and the issue requires scrutiny".

Further during the year ended March 31, 2021, the Holding Company had also challenged the mandate of the arbitrator under section 34 of the Arbitration and Conciliation Act, 1996 at District & Sessions Court, Chandigarh and thereafter, the Additional Registrar had passed the arbitral awards in all the three arbitration proceedings against the Holding Company. The arbitral awards consists of claims in the nature of various amounts such as guarantee return, repair and maintenance of boiler, electricity purchased for operating plant etc amounting to Rs. 7,234.73 lakhs and interest thereon. The Holding Company has challenged aforementioned arbitral awards under section 34 of the Arbitration and Conciliation Act, 1996 which is pending at District & Sessions Court, Chandigarh. Furthermore, sugar mills have restricted the company personnel to enter the power plant premises and company has filed police complaint against the same.

Considering the facts explained above, management has decided to fully impair three cogeneration power plants in its books of accounts set up with respective sugar mills on Build, Own, Operate and Transfer (BOOT) basis.

Hence, the management has recorded an impairment of Rs. 35,665.04 lakhs in the present value of the power plant as at September 30, 2023.

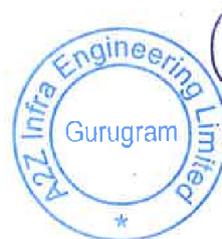
Out of the aforementioned impairment as at September 30, 2023 Rs. 26,788.49 lakhs pertain to two power plants, which were yet to be capitalised and Rs. 8,876.56 lakhs are for power plant which has already been capitalised.

- b. The Income tax authorities conducted a search and survey at certain premises of the Holding Company under section 132 and 133 of the Income Tax Act, 1961 in April 2012. During the year ended March 31, 2015, the Holding Company received the assessment orders for the assessment years 2009-10 to 2013-14 from the Deputy Commissioner of Income Tax (DCIT) demanding additional tax liability. During the year ended March 31, 2015 the Holding Company had filed appeals with Commissioner of Income Tax (CIT) (Appeals) challenging these orders against which the said authority had granted partial relief to the Holding Company. The Holding Company has further filed appeals with Income Tax Appellate Tribunal (ITAT) challenging the orders for these assessment years in respect of the matters, where the CIT(A) has not accepted the Holding Company's contention. Additionally, the DCIT has also filed appeals with the ITAT against the matters where the relief has been given to the Holding Company.

Further, during the year ended March 31, 2018, the Holding Company had received penalty orders for the Assessment year 2009-10 to 2013-14 from DCIT and for the Assessment year 2008-09 from CIT demanding additional tax liability of Rs. 1,277.64 lakhs against which the CIT (Appeals) had not granted relief to the Holding Company.

During the year ended March 31, 2019, the Holding Company has received orders from CIT (Appeals) quashing the penalty orders aggregating Rs. 477.71 lakhs out of the aforementioned and upholding the rest. During the previous year, the holding company has received order from ITAT quashing the penalty order and quantum order is still pending at ITAT level.

Based on their assessment, the management believes that the Holding Company has reasonable chances of succeeding before the ITAT and does not foresee any material liability. Pending the final decision on the matter, no further adjustment has been made in the consolidated financial results.



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- c. During the financial year ended March 31, 2017, the Holding Company based on the legal advice filed an application for advance ruling with the Advance Ruling Authorities ('the Authority') regarding applicability of service tax in respect of one of the projects undertaken by them. During the year ended March 31, 2018, the Holding Company received response to its application wherein the Authority opined that entire project is covered within the ambit of the service tax. Accordingly, the Holding Company has recognized the service tax liability and based on the contractual terms which stipulates that any taxes shall be borne by the customer, has also recognized amount recoverable from customer of an equivalent amount. Further, the management believes that the interest, if any, on the delayed deposit of the aforementioned service tax liability is currently unascertainable and shall be reimbursed by the customer. The Holding Company has made submissions with the customer in this regard. Additionally, based on the independent legal advice, the Holding Company believes that the input tax credit in respect of the aforementioned project shall be adjustable against the liability considering the entire project has now been clarified to be covered under the service tax ambit. Accordingly, no further adjustments to the books of account are considered necessary.
- 3) The Holding Company, as at September 30, 2023, has non-current investments (net of impairment) amounting to Rs. 7,992.84 lakhs and current financial assets-loan amounting to Rs. 84.67 lakhs in its associate company Greeneffect Waste Management Limited (formerly known as A2Z Green Waste Management Limited) ('GWML') which has holding in various SPVs under its fold (hereinafter Greeneffect Waste Management Limited together with its subsidiaries is referred to as Greeneffect Waste Management Group). During the previous year, Holding Company has provided provision of Rs. 9,058.00 lakhs on preference shares of Greeneffect Waste Management Limited. While Greeneffect Waste Management Group has incurred losses during its initial years and consolidated net-worth as at September 30, 2023 has been completely eroded. Based on internal assessment and valuation report from an independent valuer, the recoverable amount from the underlying investments/assets is higher than the net worth of Greeneffect Waste Management Group. There are assumptions and estimates used in such future projections such as discount rate, long term growth rate, arbitration claims etc. which management believes are appropriate. Therefore, the management believes that the realisable amount from the aforementioned associate company and its subsidiaries is higher than the carrying value of the non-current investments, other current financial assets and current financial assets-loans due to which these are considered as good and recoverable.
- 4) The Group has reported segment information as per Indian Accounting Standard 108 'Operating Segments' (Ind AS 108). The Group is operating into following segments – (i) Engineering Service (ES), (ii) Facility Management Services (FMS), (iii) Municipal Solid Waste (MSW) (iv) Power generation projects (PGP) and (v) Others which primarily includes trading of goods and operation and maintenance services etc.

Unaudited group segment wise revenue, results, assets and liabilities for the quarter and six months ended September 30, 2023

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Six Months Period ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1. Segment revenue						
(a) Segment – ES	1,965.86	1,865.15	2,066.01	3,831.01	3,971.51	6,940.80
(b) Segment – FMS	6,023.17	5,368.63	5,458.22	11,391.80	10,049.32	17,862.76
(c) Segment – MSW	2,207.06	2,176.21	2,206.45	4,383.27	4,235.77	8,220.26
(d) Segment – PGP	-	-	-	-	-	-
(e) Segment – Others	-	-	-	-	17.85	17.85
Total	10,196.09	9,409.99	9,730.68	19,606.08	18,274.45	33,041.67
Less: Inter segment revenue	-	-	77.10	-	756.08	(1,902.49)
Revenue from operations	10,196.09	9,409.99	9,653.58	19,606.08	17,518.37	34,944.16
2. Segment results [Profit / (Loss) before tax and interest from each segment]						
(a) Segment – ES	392.53	128.35	(240.18)	520.88	(105.55)	(279.51)
(b) Segment – FMS	570.81	512.84	503.10	1,083.65	758.80	2,961.35
(c) Segment – MSW	(514.85)	(267.25)	64.21	(782.10)	159.76	36.11
(d) Segment – PGP	(3.25)	(2.96)	(67.41)	(6.21)	(134.69)	(270.73)
(e) Segment – Others	(0.17)	(0.30)	(0.21)	(0.47)	17.48	17.37
Total	445.07	370.68	259.51	815.75	695.80	2,464.59
Less: Inter segment results	-	-	-	-	-	-
Net segment results	445.07	370.68	259.51	815.75	695.80	2,464.59
Add: Interest income	(55.63)	1.55	(129.47)	(54.08)	9.92	54.96
Less:						
(i) Interest expense	179.79	167.88	267.78	347.67	687.19	1,195.55
(ii) Other unallocable expenditure net of unallocable income	1,993.83	290.82	283.90	2,284.65	715.78	(262.22)
(Loss)/profit before exceptional item and tax	(1,784.18)	(86.47)	(421.64)	(1,870.65)	(697.25)	1,586.22



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Unaudited group segment wise revenue, results, assets and liabilities for the quarter and six months ended September 30, 2023 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	Quarter ended			Six Months Period ended		Year ended
	September 30 , 2023	June 30, 2023	September 30 , 2022	September 30 , 2023	September 30 , 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Exceptional (loss)/ gain						
(a) Segment – ES	1,996.35	-	-	1,996.35	-	7,098.75
(b) Segment – FMS	-	-	-	-	-	(6,891.55)
(c) Segment – PGP	-	-	-	-	-	(6,128.76)
(d) Unallocable items	(442.32)	-	-	(442.32)	-	(6,282.57)
Loss after exceptional item and before tax	(230.15)	(86.47)	(421.64)	(316.62)	(697.25)	(10,617.91)
Less : Tax expenses						
(i) Current tax	216.77	41.96	76.00	258.73	76.00	61.40
(ii) Deferred tax	(98.69)	28.91	28.67	(69.78)	28.67	1,926.17
Loss for the period / year	(348.23)	(157.34)	(526.31)	(505.57)	(801.92)	(12,605.48)
3. Segment assets						
(a) Segment – ES	42,343.59	58,305.12	64,965.67	42,343.59	64,965.67	56,055.55
(b) Segment – FMS	9,858.48	10,549.18	16,270.44	9,858.48	16,270.44	10,274.88
(c) Segment – MSW	13,688.43	15,158.65	16,228.95	13,688.43	16,228.95	15,273.11
(d) Segment – PGP	588.59	588.40	7,369.71	588.59	7,369.71	994.20
(e) Segment – Others	4,192.80	4,155.60	4,606.25	4,192.80	4,606.25	5,505.15
(f) Unallocated	10,428.95	11,597.60	22,163.66	10,428.95	22,163.66	10,970.19
Total Assets	81,100.84	100,354.55	131,604.68	81,100.84	131,604.68	99,073.08
4. Segment liabilities						
(a) Segment – ES	30,531.60	42,467.32	51,700.47	30,531.60	51,700.47	36,708.16
(b) Segment – FMS	8,987.27	9,349.11	15,637.72	8,987.27	15,637.72	9,452.36
(c) Segment – MSW	11,430.63	12,176.98	12,904.03	11,430.63	12,904.03	12,024.60
(d) Segment – PGP	21.10	20.96	137.73	21.10	137.73	137.91
(e) Segment – Others	2,584.18	2,554.15	6,804.61	2,584.18	6,804.61	7,800.74
(f) Unallocated	25,135.77	31,048.89	29,860.70	25,135.77	29,860.70	30,076.00
Total Liabilities	78,690.55	97,617.41	117,045.26	78,690.55	117,045.26	96,199.77

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5) Consolidated Statement of Assets and Liabilities

(Amount in Rs. Lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
Assets		
Non-current assets		
Property, plant and equipment	4,131.20	3,673.04
Right to use asset	26.08	33.58
Capital work-in-progress	5,635.50	5,475.97
Goodwill	3,563.65	3,563.65
Other Intangible assets	2.22	3.79
Investments accounted for using the equity method	4,765.90	6,978.24
Financial assets:		
Other financial assets	1,785.19	1,460.53
Deferred tax assets (net)	1,156.96	1,087.23
Non-current tax assets (net)	5,730.52	5,731.27
Other non-current assets	443.84	497.54
Total	27,241.06	28,524.84
Current assets		
Inventories	2.36	462.00
Financial assets		
Trade receivables	26,313.84	32,491.42
Cash and cash equivalents	842.63	1,064.09
Other bank balances	141.98	141.98
Loans	1,545.89	1,546.35
Other financial assets	15,717.26	27,110.31
Other current assets	9,295.82	7,732.09
Total	53,859.78	70,548.24
Total Assets	81,100.84	99,073.08
Equity and liabilities		
Equity		
Equity share capital	17,611.99	17,611.99
Other equity	(14,066.52)	(13,806.98)
Equity attributable to equity holders of the company	3,545.47	3,805.01
Non-controlling interest	(1,135.18)	(931.70)
Total equity	2,410.29	2,873.31



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Consolidated Statement of Assets and Liabilities (Cont'd)

(Amount in Rs. Lakhs)

Particulars	As at	
	September 30, 2023	March 31, 2023
	(Unaudited)	(Audited)
Liabilities		
Non-current liabilities		
Financial liabilities		
Borrowings	378.33	398.48
Lease liability	13.15	19.63
Provisions	3,593.28	3,632.47
Deferred tax liabilities (net)	0.06	-
Other non-current liabilities	2,830.91	2,852.60
Total	6,815.73	6,903.18
Current liabilities		
Financial liabilities		
Borrowings	25,772.33	30,910.93
Lease liability	13.90	14.48
Trade payable		
- Total outstanding dues of micro enterprises and small enterprises	17.11	16.30
- Total outstanding dues of creditors other than micro enterprises and small enterprises	27,408.53	36,171.19
Other financial liabilities	8,652.91	8,612.19
Other current liabilities	9,982.15	13,513.55
Provisions	15.78	45.84
Current tax liabilities (net)	12.11	12.11
Total	71,874.82	89,296.59
Total Liabilities	78,690.55	96,199.77
Total Equity and Liabilities	81,100.84	99,073.08

6) Consolidated Cash Flow Statement for the six months ended September 30, 2023

(Amount in Rs. Lakhs)

Particulars	For Six Months ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Audited)
Cash flows from operating activities:		
Net loss before tax (after exceptional items)	(316.62)	(697.25)
Adjustments:		
Exceptional items	(1,554.03)	-
Share of loss from associates	2,214.63	651.02
Depreciation and amortisation expense	263.43	451.31
(Gain)/ loss on disposal of property, plant and equipment (net)	(0.10)	(0.34)
Interest expense	347.70	687.19
Interest income	(12.98)	(16.13)
Provision of contract revenue in excess of billing	332.28	1,344.22
Provision for bad and doubtful debts / advances	1,058.43	878.50
Provision for warranty	207.02	341.82
Advances written off	1.22	53.24
Liability / provision written back	(826.06)	(2,895.05)
Recognition of share based payment at fair value	42.55	86.08
Subsidy amortised	(24.04)	-
Rental income	(2.10)	(10.80)
Operating profit before working capital changes	1,731.33	873.81



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Consolidated Cash Flow Statement for the six months ended September 30, 2023 (Cont'd)

(Amount in Rs. Lakhs)

Particulars	For Six Months ended	
	September 30, 2023	September 30, 2022
	(Unaudited)	(Audited)
Net changes in working capital		
Changes in inventories	459.64	(105.95)
Change in trade receivables	5,313.56	5,851.17
Changes in loans	0.46	227.88
Changes in other financial assets	239.92	(2,382.89)
Changes in other assets	(1,563.73)	(841.41)
Change in trade payables	507.10	2,032.76
Changes in provisions	(289.17)	(185.26)
Change in other financial liabilities	75.56	80.15
Change in other liabilities	(2,513.77)	(3,548.24)
Net changes in working capital:	2,229.57	1,128.21
Cash flow from operations	3,960.90	2,002.02
Current taxes (paid)/refund	(237.87)	(28.07)
Net cash flow from operating activities (A)	3,723.03	1,973.95
Cash flows from investing activities:		
Payment for property, plant and equipment	(870.84)	(343.24)
Payment for intangible assets	(0.59)	(2.50)
Proceeds from sale of property, plant and equipment	0.10	0.34
Fixed deposits matured- (net)	-	317.87
Interest received	10.69	-
Rental income	2.10	10.80
Net cash (used in)/ flow from investing activities (B)	(858.54)	328.67
Cash flows from financing activities:		
Principal payment of lease liabilities	(7.07)	(29.67)
Interest payment of lease liabilities	(1.58)	(44.44)
Repayments of long term borrowings	(1,439.45)	(281.63)
Repayments of short term borrowings (net)	(1,333.94)	(1,096.03)
Interest paid	(303.91)	(446.26)
Net cash used in financing activities (C)	(3,085.95)	(1,898.03)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(221.46)	59.19
Cash and cash equivalents at the beginning of the year	1,064.09	911.69
Cash and cash equivalents at the end of the period	842.63	970.88



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7) Following exceptional items (net) have been recorded:

Particulars	(Amount in Rs. Lakhs)					
	Quarter ended			Six Months Period ended		Year ended
	September 30, 2023	June 30, 2023	September 30, 2022	September 30, 2023	September 30, 2022	March 31, 2023
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
One time settlement (OTS) with banks and financial institutions	2,563.93	-	-	2,563.93	-	2,775.44
Loan settled on behalf of associate	3,783.62	-	-	3,783.62	-	-
Liabilities written back	9,666.35	-	-	9,666.35	-	9,598.99
Exceptional gain (A)	16,013.90	-	-	16,013.90	-	12,374.43
Unbilled provision/write off	7,670.00	-	-	7,670.00	-	2,500.24
Capital assets impaired/written off (Refer note- 2(a))	-	-	-	-	-	6,128.77
Loans and advances provision	6,789.87	-	-	6,789.87	-	6,891.55
Investment provision/written off	-	-	-	-	-	9,058.00
Exceptional loss (B)	14,459.87	-	-	14,459.87	-	24,578.56
Net Exceptional loss(A-B)	1,554.03	-	-	1,554.03	-	(12,204.13)

8) The loan accounts of the Holding Company have been classified as Non- Performing Assets by certain banks and they have not charged interest on the said accounts and also the Holding Company has not charged interest on borrowings from certain banks/ Asset Reconstruction Company which had entered into Settlement agreement(s), therefore provision for interest has not been made in the books of accounts and to that extent interest costs and loan liabilities have been understated. The extent of exact amount is under determination and reconciliation with the bank, however as per the details available, the amount of unaccrued interest, on approximate basis, on the said loans (other than the borrowings of few banks which are regular) amounts to Rs. 923.34 lakhs, Rs. 1,776.05 lakhs and Rs. 6,052.49 lakhs for the quarter ended September 30, 2023, six months ended September 30, 2023 and as at September 30, 2022 respectively (Rs. 852.70 lakhs, Rs. 941.09 lakhs, Rs. 1,794.39 lakhs and Rs. 3,374.33 lakhs for the quarter ended June 30, 2023, September 30, 2022, six months ended September 30, 2022 and year ended March 31, 2023 respectively). The Holding Company is already in discussion with the said banks and Asset Reconstruction Company for settlement of their dues.

9) The Holding Company had entered into Settlement agreement(s) ('Agreements') with certain banks/assets reconstruction company ('the Lenders') during the years/period ended March 31, 2018 and March 31, 2019 wherein it had settled the outstanding borrowings by upfront payments and deferred instalments. As at September 30, 2023, the Holding Company has delayed payments in respect of the certain deferred instalments amounting Rs. 4,994.00 lakhs which were due and payable pursuant to these Agreements. So far the lenders have not given any written notice on event of default as per the agreements and the management is in discussions with the Lenders to condone the aforementioned delays.

Further, certain Lenders have filed an application with Debt Recovery Tribunal and other judicial authorities for recovery of its dues as they existed prior to the settlement agreement entered with it in earlier period. However, basis the agreed terms/discussions, management believes that no additional liability shall devolve on the Holding Company in addition to the carrying value of such liability as at September 30, 2023.

The Holding Company is in the process of negotiations/ reconciliations of its outstanding obligations carried in these consolidated financial results.

Pursuant to the above discussions with the lenders, management is confident that no material impact will devolve on the Holding Company in respect of aforementioned delays.

10) The Holding Company has incurred a net loss after tax of Rs. 829.03 lakhs for the period ended September 30, 2023 and has accumulated losses amounting Rs. 1,07,479.84 lakhs as at September 30, 2023. At present, holding company is facing acute liquidity issues on account of delayed realization of trade receivables from the clients. Also, two of the banks have filed an application with the National Company Law Tribunal (NCLT) for recovery of its dues and for one bank the matter is held in abeyance as the holding company has entered into an one time settlement with the said bank on deferred payment basis. Further, three parties have also filed applications with the National Company Law Tribunal (NCLT) for recovery of their dues. The said outstandings are disputed in nature, and Holding Company is pursuing the same before the NCLT hence at present said matters are sub-judice. Further, during the year ended March 31, 2020, because of delays in required extension of performance security, one of the customers has invoked the bank guarantee submitted by the Holding Company amounting to Rs. 6,500.00 lakhs and converted into cash security as a fixed deposit and used it as security margin for providing a limit of Letter of Credit to facilitate timely payments to vendors for ensuring early completion of the project. The Holding Company has also delayed in repayments due to certain lenders as further detailed in note 8 and 9. Conditions explained above, indicate existence of uncertainties that may cast significant doubt on the Holding Company's ability to continue as a going concern due to which the Holding Company may not be able to realise its assets and discharge its liabilities in the normal course of business in future. However, the management is evaluating various options and has entered into one-time settlement agreements with various lenders (as described in note 9), including interest and other related terms and conditions apart from further negotiating the terms with the remaining lenders for settlement of its existing debt obligations. Further the management is in discussions with certain customers for an immediate recovery of the amount due from them and believes that the substantial portion of such trade receivables shall be realized within the upcoming year. Management believes that the Holding Company will be able to settle its remaining debts in the due course and in view of the proposed settlement of debt obligations together with the expected increased realisation from the trade receivables, no adjustments are required in the consolidated financial result and accordingly, these have been prepared on a going concern basis.



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- 11) The Tanzania branch has a contract with Rural Energy Agency (REA) for supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Bahi, Kongwa and Chemba districts) on a Turnkey basis for Lot 1 and supply and installation of medium and low voltage lines, distribution transformers and connections to un-electrified rural areas in Dodoma Region (Chamwino, Kondo and Mpwapwa districts) on Turnkey basis for Lot 2. The Tanzania branch is expecting to complete the works by March 2024. The contract allows for a further period of 12 months after completion for handing over the project where after, the retention payment terms will be released once the completion certificate is issued and the contract will expire. This condition indicates that a material uncertainty exists, that may cast significant doubt on the Tanzania branch's ability to continue as a going concern.
- 12) Subsequent to period ended September 30, 2023, the holding company has entered into one time settlement (OTS) with Kotak Mahindra Bank for a settlement amount of Rs. 1,500 lakhs. The settlement consideration will be paid as per the binding terms of the agreement.
- 13) Previous period/year figures have been re-grouped/reclassified wherever necessary to correspond with those of the current period / year's classification.

For and behalf of A2Z Infra Engineering Ltd.

Amit Mittal

Managing Director & CEO
(DIN 00058944)

Place: Gurugram

Date: November 6, 2023

